

2000: Summing up

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The last days of the year of 2000 will be remembered in Ukraine not only for the ceremony of closing down the Chornobyl nuclear power plant and the construction of the aluminum «Millenium Bridge» across the Maidan Nezalezhnosti in Kyiv, but rather for the camp of protesters' tents that had to be removed shortly before the New Year celebration, following the judgement of the Pechersky borough court. Yet, with the tents gone the problem has not been solved.

The chilling case of missing Ukrainian independent journalist Georgy Gongadze and the political crisis it has catalyzed have moved to the new year, and further developments of both the case and the political crisis are likely to surface in a few coming months.

Similarly, other unsolved issues and problems have moved to the new year too - primarily the problems of the lack of transparency and accountability of public authorities, corruption, shadow economy, lack of adequate legislation - in other words, Ukraine's standard legacy of the past decade. The increasingly difficult implementation of economic reforms, unsolved problems of privatization, increasing economic pressure from Russia, the would-be pipeline by-passing the Ukrainian territory, the failure to finish the Odessa-Brody pipeline, gas debts to Russia, and the unsolved energy diversification issues were constituents of the general crisis Ukraine had to face last year. Similarly severe were the problems of ensuring respect for human rights in this state, maintaining the freedom of speech, making governmental agencies, primarily the «power ministries» accountable to the society.

Ukraine entered the new year without having any of long-expected codes - the Civil Code, the Customs Code, the Criminal Code, the Tax Code, the Land Code - approved by the parliament. The Verkhovna Rada did not approve a number of other critical laws, including a law on political parties, a law on the opposition, a new election law, and other laws expected to assist the political restructuring of the Ukrainian society or at least specify responsibility for policy decisions and political steps.

The new year also «inherited» problems and dilemmas brought forth by the April 2000 referendum. In its day, the referendum initiative was questioned and scrutinized by the Council of Europe Parliamentary Assembly and added to the damage done to Ukraine's international image. However, the «event No. 1» of the Ukrainian societal life (as some official sources described it in April 2000) that cost almost 30 million in Ukrainian taxpayer hryvnias, was gradually put on stand-by when it came to the point of implementation of the referendum results, i.e., amending the Constitution. The issues of introducing a bi-cameral legislature in Ukraine, limiting the parliamentary immunity, opening new possibilities for the president to dissolve the parliament, and reducing the total number of seats in the legislature from 450 to 300 remain unsolved - notwithstanding the fact that on March 29, 2000, the Constitutional Court of Ukraine announced the referendum results to be binding and not advisory. The process of implementation of the «public volition» results has been postponed by the parliament till some suitable political moment. Therefore, the key ingredient of the whole initiative, the implementation of the changes to the Constitution, remains the notorious «Damocles' sword» over the Verkhovna Rada.

The Ukrainian political life in 2000 circulated around actions of the government, the national referendum and discussions over prospects and potential implications of the implementation of its results. Ukraine entered the new 2000 year with a new government, led by former National Bank governor Victor Yushchenko. On December 21, 1999, the parliament applauded enthusiastically the appointment of Victor Yushchenko to the position of the prime minister and demonstrated optimism about prospects for formation a genuine government of reformers. Victor Yushchenko's nomination was supported by votes of 296 MPs of 318 MPs present at the session. Even 10 Socialist MPs voted in favor of Yushchenko's appointment.

The definition of «reformer» became one of the new government's most steady features. However, further developments showed that the high expectations, pro-reform ambitions and pro-reform image of the key figures of the government did not automatically make it successful in the pursuit of economic

reform. From the very start of this government, a definition was found for the cause of any complications that could - and did - emerge on the government's way: the obstruction of reforms by those who are broadly referred to in Ukraine as «oligarchs». The theme of «oligarchs» and the need for the government to avoid their traps has been dominant for some Ukrainian political forces since the early stage of the formation of the new government. For instance, at Victor Yushchenko's meeting with the Socialist faction at the end of 1999 leader of the Socialist party Oleksandr Moroz reportedly made a number of demands to the would-be prime minister: not to allow the new government to be joined by oligarchs, not to allow free trading in land, strictly abide by the Ukrainian laws and protect citizens' interests. According to Oleksandr Moroz, «We have reached consensus on all of the points. Most important, Victor Andriyovych [Yushchenko] agrees that there must be no businessmen in the government, and in that he is very engaging to me» (Kievskie Vedomosti, December 22, 1999).

One of the first - but far from the last - battles between the government and the «oligarchs» took place in January 2000. Yet, the Prime Minister himself was only indirectly involved. The battles over the energy sector were fought between Vice Prime Minister for energy Yulia Tymoshenko and the «oligarchs» who controlled part of the sector. At the end of January 2000, Yulia Tymoshenko's party, the Batkivshchyna, called on all political forces to give «radical response to destructive actions of the oligarchs». The causes of those «destructive actions» were publicly outlined as follows: «the methods of a dirty game that they normally use have failed to reach the objective; as a result the national oligarchy turned out to be unnecessary and unwanted when the new government team was formed; [therefore], those persons started a campaign to discredit actions of the Ukrainian executive branch (Vechirniy Kyiv, January 19, 2000). «Groundless criticism and defamation are addressed not even to specific actions of the Cabinet of Ministers that has been working for only a few weeks, but the very intentions of the Yushchenko government to change the situation in this country for better» (Vechirniy Kyiv, January 19, 2000) - these words from the Batkivshchyna statement may be seen as the key argument of further «anti-oligarch» battles and the reference to the key personalities involved.

The first wave of massive criticism was addressed to the new government in the process of debates over the 2000 budget. While the draft budget was presented by the government as «socially-oriented», the government was criticized for slashing social security spending and abolishing an array of benefits. The criticism did not fade after the budget was finally adopted on February 17, 2000.

The next wave of criticism referred to the government's broadly debated program of action, «Reforms for Well-being», submitted to the parliament for review on March 13, 2000. Although broadly advertised, the program did not find much enthusiasm in MPs, many of whom refused to see either «reforms» or «well-being» in it. At that time observers tended to view the criticism of the government's program of action as caused by unsatisfied ambitions of some factions who did not succeed in taking part in shaping the government. The government, too, was not very happy with the attitude of the parliament. Then-Minister of Economy Serhiy Tihipko argued in March 2000 that the failure of the parliament to approve the government's program of action would be identical to voicing «non-confidence» to the prime minister and his government and should lead to its resignation (Den, March 11, 2000). The answer to the comments from the government was given rather bluntly by Vice Speaker Victor Medvedchuk: «the parliament will not be turned into a structure that stamps needed documents for the government» (Kievskie Vedomosti, March 14, 2000). However, the government's program passed through the debates and was approved on April 6, 2000 by 261 votes. Noteworthy, nowadays only collectors of «political antiques» seem to remember both the program and the circumstances of its adoption. In a way, the approval of the government's program of action was a present of a year of relatively safe operation to the government from the parliament: under the Ukrainian law, having approved the government's program of action, the parliament may not initiate the dismissal of the government for 12 months from the day the program is approved.

This government was probably the first in Ukraine's recent history to have the state budget for the coming year approved by the parliament on time. For instance, the 1997 draft budget was approved only on June 27, 1997 by 229 votes, and the 1999 state budget was approved late in the evening on December 31, 1998. The 2001 state budget was approved by the parliament on December 7, 2000 by the votes of 249 out of 423 MPs present in the parliament's session hall. The parliament approved a zero-deficit budget with target revenue and spending at UAH 41.9 billion (about US\$ 7.6 billion). At that point Oleksandr Ryabchenko, MP, argued that «the process of approving the budget should not be linked to the IMF board meeting due on December 19: until the new U.S. president takes office the issue of financing Ukraine by the IMF will hardly be considered» (Den, December 8, 2000). However,

on December 20 it was announced that the IMF board had decided to de-freeze the EFF program for Ukraine after it had been suspended for almost a year, and to provide Ukraine with a new US\$ 246 million tranche. The resumed EFF program was more than just a positive evaluation of the government's performance, but it would be naïve to expect the IMF's decision to serve as a green light to the flow of investment into the Ukrainian economy as long as the legislation remains inconsistent, the business climate unfavorable and corruption (both real and perceived) widespread.

The 2000 political year came to the end with an obvious process of likely break-up of the parliamentary majority, established with so much effort at the end of 1999 and seen as one of the key elements in facilitating the pursuit of reform, into three parts: a pro-president part, a pro-government-part, and some «non-aligned» MPs. Nowadays the process and its implications are being discussed by all branches of power. In particular, President Leonid Kuchma publicly stated shortly before the New Year break that he was «sure that the majority in the parliament will disappear shortly» (Interfax-Ukraine, December 27, 2000). Those he sees as opposition to himself as the president include «deputies from the factions of the Reforms and Order, the Batkivshchyna, the Ukrainian People's Rukh [Kostenko] - those factions that have generally supported the government» (Interfax-Ukraine, December 27, 2000). Made by the president, such comment may sound as a public division between the «pro-government majority» and the «pro-president majority» with all the consequences that are likely to follow: from possible obstruction of the passage of individual laws through the parliament to further escalation of the political crisis triggered by scandalous audio and video tapes charging the president, the interior minister, the head of the state security service and the presidential chief of staff with sanctioning and executing the kidnapping of the independent journalist.

Prime Minister of Ukraine Victor Yushchenko has his own opinion about the problems that shake the Ukrainian parliament: «the loss of the political majority is the worst drama that may occur in the government's work in 2001. I will not allow such a formation as a pro-presidential part and, separately, a pro-government part» (Ukraine Moloda, January 3, 2001). In this context, according to the Prime Minister, the government's key task is to «...give a shoulder, formulate the signals so that the majority could work. Our relations should be formalized. The government and the parliamentary majority should come to a common agreement that would provide for the shared political responsibility and ensure political support» (Ukraine Moloda, January 3, 2001). Hence, the issue of «shared political responsibility» was also inherited from last year. In April 2000 the government failed to convince the parliament to sign the Memorandum on Cooperation and Solidarity Responsibility, planned as a ceremony marking the reconciliation between the government and the parliament and commitment to take cooperative efforts to ensure the implementation of the government's program of action. The initiative failed «due to the need to agree on certain points of the document» (Holos Ukrainy, April 8, 2000). The parliament's press service explained the failure that the «faction of the SDPU(o), the Vidrodzhennya Rehioniv parliamentary group, and the Yabluko parliamentary association called off their signatures under the text of previously parafied agreement» (Holos Ukrainy, April 8, 2000). The arguments of the SDPU(o), voiced by Oleksandr Zinchenko on the even of the expected date of signing the Memorandum (April 6, 2000) were as follows: «Before, we insisted on staff reshuffles; that implied that there would be shared responsibility of the government and the parliament for the implementation of the program. But now we formulate the issue differently: no pressure on the government, no bargaining for staff appointments. We will not, in any way, obstruct the Yushchenko government's activity. This government promised well-being to Ukraine - so let it take responsibility for that. We continue to have doubts that this government is really professional in all spheres» (Den, April 5, 2000).

Hence, the key issues Ukraine had to solve in 2000 and the past decade remain the key issues for 2001. At the point it sounds cynical to repeat that Ukraine's future depends on solving them successfully: the state and the society alike appear to be little concerned about that. Meanwhile, the recent report of the Freedom House mentioned Ukraine among the countries that have demonstrated the most striking regress in democratization processes, and Ukraine remains among the «partly free» in the Freedom in the World 2000-2001» ranking.